REMARKS

The following is in response to the non-final Office Action dated July 13, 2004. The Applicants hereby request that this case be reconsidered in light of the following.

STATUS OF CLAIMS

Claims 1-4, 6-11, and 13-17 were pending.

Claims 19 and 20 are new.

Accordingly, Claims 1-4, 6-11, 13-17, 19, and 20 are before the Examiner for consideration.

CLAIM REJECTIONS

In Section 6 of the Office Action, Claims 1-4, 6-11, and 13-17 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 5,943,656 to Crooks et al. ("Crooks") in view of U.S. Pat. No. 5,956,700 to Landry ("Landry") and further in view of U.S. Pat. No. 5,875,435 to Brown ("Brown").

Claims 1, 15, and 16

As indicated above, and as the Examiner is aware, Claims 1, 15, and 16 are independent claims. As recited therein, each of these claims relates to the following (paraphrased):

- A billing party electronically sends formatted billing data to a billable party's computer system (or to a host system acting on the billable party's behalf). The billing data includes billing codes that identify the specific tasks undertaken by the billing party for the billable party.

- The electronic billing data is automatically (*i.e.*, by computer) evaluated according to various criteria, including, *e.g.*: whether the billing data has been previously paid; whether the billing data contains data necessary for processing; and comparing the billing data to rule data defined by the billing party.

- If the billing data satisfies the rule data, the billing party is automatically paid.

As should be appreciated, in summary, the present invention relates to a system wherein billing data, containing billing codes, is sent to a billable party, the billing

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data is automatically evaluated by computer, and payment is made automatically if the billing data satisfies the evaluation.

As the Examiner is aware, to establish a *prima facie* case of obviousness under 35 U.S.C. § 103: (i) all the elements/limitations of the invention as claimed must be shown or suggested by the references in combination; (ii) there must be a reasonable expectation of success in combining the references; and (iii) there must be some sort of motivation or teaching to combine the references. Here, the Applicants respectfully submit that: (i) Crooks, Landry, and/or Brown do not teach all the elements/limitations of Claims 1, 15, and 16; and (ii) one of ordinary skill in the art would not have been motivated to combine Crooks, Landry, and Brown to arrive at the combination recited in Claims 1, 15, and 16, because one or more of those references teach away from the suggested combination.

Regarding the former point, as set forth in Section 6 of the Office Action, the Examiner contends that:

- All three references disclose: a computerized system for generating payments; obtaining electronic billing data; and comparing the billing data with rule data defined by a billable (payor) party.
- Crooks and Landry are "silent on the use of billing codes as recited by Applicant."
- But, Brown "discloses using transaction (i.e. billing) codes which identify the specific tasks undertaken by a billing party as a party of the services rendered ..."; and Brown discloses automatic payment if the billing data satisfies the comparison with the rule data.

The Applicants agree that Crooks and Landry fail to disclose billing codes as recited in Claims 1, 15, and 16. However, the Applicants respectfully disagree that Brown discloses either automatic payment or billing codes as recited in the claims.

First, support for the Examiner's assertion that Brown discloses automatic payment was given as follows in Section 6 of the Office Action: "Fig 1, 4; associated text; Col 7, lines 23-41: '... automatic (electronic) transfer of funds/payments...')", or otherwise (see § 1 of the Office Action). However, Applicants' detailed review of Brown indicates no teaching of automatic, computerized payment upon an automatic determination that the billing data satisfies the rules data. Specifically, Brown relates to an automatic accounting system that allows agents to access and modify an entity's accounting file. As part of the system, payments can be initiated.

However, this is not done automatically, and instead requires a user to make a conscious decision to initiate payment:

> In a decision box 70, the user is asked whether the funds transfer facility is needed. [Col. 6, lines 38-39] ... If the funds transfer facility is needed, line 81 leads to decision box 300 where it is asked whether an instruction to transfer funds is desired. The funds transfer facility allows automatic (electronic) transfer of funds/payments by and between the entity's accounts (banks, for example), as instructed.

Brown Col. 7, lines 24-29 (emphasis added). As should be appreciated, although payment in Brown may carry on automatically once initiated by the user, some sort of user intervention is required. Accordingly, the payment process in Brown is not "automatic" as contemplated in Claims 1, 15, and 16, *i.e.*, in these claims it is specified that payment is made automatically electronically upon an automatic/computerized determination that the billing data satisfies the rule data, which is not the case where user intervention or decision making is required.

Second, Brown does not disclose "billing data including billing codes which identify the specific tasks under by the billing party as a part of the services rendered," as recited in Claims 1, 15, and 16. In particular, Brown relates to an accounting system for financial transactions. As part of the system, "standardized codes including financial transaction codes and/or standardized itemization codes are established." Col. 2, lines 26-27. However, as specified, and considering Brown in an overall context, these codes are used to identify: financial transactions, *i.e.*, transfers of funds and instructions for transfer of funds (Col. 2, lines 44-45); and itemizations, *i.e.*, income and expense items (Col. 3, line 59) such as the purchase of a window (see Col. 8, line 35 *et seq.*). Such financial transactions and income/expense itemizations relate purely to monetary transactions, and inherently do not identify specific tasks carried out as part of services rendered. Reference should also be made to U.S. Pat. No. 5,193,055, identified in Brown at Col. 3, line 58:

> Thereafter, individual expense and income items are entered into the computer in accordance with the standard code. The first part of the entry is a category code at 7. Expense categories for a customer might, by way of example, include such things as electric power, water, real estate tax, and interest paid. Income categories might include such items as wages, dividends, rentals, and payment for services.

U.S. Pat. No. 5,193,055, Col. 2, lines 54-61. In short, categorical codes for listing monetary transactions, as is the case in Brown, is not the same as using codes to identify specific tasks undertaken in performing services.

As indicated in the '055 patent, coded financial transactions could relate to payments for services. However, codes for financial transactions in the nature of

payments for services for would still not identify specific tasks undertaken as part of the services. For example, a recorded financial transaction might be encoded to indicate that the expense was for, *e.g.*, plumbing services, but there is no teaching in Brown (or the '055 patent) of utilizing additional or further codes for specific tasks undertaken in providing the services. Moreover, considering that such codes would be extraneous and unnecessary in an accounting system, the Applicants submit that codes for specific tasks are not suggested in Brown or the '055 patent.

Pursuant to § 1 of the Office Action, the Applicants were unable to find an explicit or suggested teaching of such a feature (namely, rule data including billing codes which identify the specific tasks undertaken by the billing party as a part of the services rendered) in Brown, Landry, and/or Crooks.

As mentioned above, the Applicants further aver that one of ordinary skill in the art would not have been motivated to combine Crooks, Landry, and Brown to arrive at the combination recited in Claims 1, 15, and 16, because one or more of those references teach away from the suggested combination.

As set forth in Section 6 of the Office Action, the Examiner contends (in part) that:

- Crooks discloses a computer-based billing system where: billing data is electronically sent from a billing party to a billable party; and the billing data is automatically compared to rule data defined by the billable party.
- Crooks fails to disclose automatic payment if the billing data satisfies the rule data.
- Landry discloses the payment of bills "without requiring interaction with the payors," and Brown discloses automatic payment if the billing data satisfies the rule comparison.

The Applicants agree that Crooks fails to disclose automatic payment. However, not only does Crooks fail to disclose automatic payment, it also teaches away from having an automatic payment feature. In particular, the Applicants respectfully submit that Crooks teaches away from providing an automatic payment function, and, therefore, that there would have been no motivation for one of ordinary skill in the art to add such a feature to Crooks to arrive at the present invention as characterized in the claims. See M.P.E.P. § 2145(X)(d)(2) ("It is improper to combine references where the references teach away from their combination.")

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To elaborate, Crooks relates to a bill consolidation and payment system. In the system, billing information from various billing entities (*e.g.*, utility companies) is consolidated into a host computer, for remote access by the billable entity. Thus, all of the billable entity's bills are available for review at one centralized location. However, one of the key features in Crooks is that the billable entity is able to review each of the bills, and to decide whether and at which time to initiate payment:

- "The billable entity can, and preferably does review the billing information and thereafter authorizes payment..." Col. 5, lines 1-3.
- "In this way, a ... system is provided which is 'proactive' in the sense that the billable entity can, <u>on its own time and terms</u>, access its relevant billing information..." Col. 5, lines 7-11 (emphasis added).
- "Again, ... the billable entity can, on its own times and terms, access its relevant billing information and thereafter authorize payment thereof through a quick and easy program." Col. 7, lines 63-67.

As should be appreciated, having a fully automatic payment system would necessarily prevent a user from reviewing bills and authorizing payment, and/or from accessing and paying bills "on its own times and terms," as specified in Crooks. Instead, evaluation and payment would be done entirely automatically, without any input from the user. Thus, even if a user wanted to provide ongoing oversight of the bill paying process, and/or to evaluate bills on a case-by-case basis, this would not be possible. As such, Crooks teaches away from any modifications resulting in an automatic evaluation/payment process, and, therefore, it would not have been obvious to one of ordinary skill in the art to combine Crooks with Landry and/or Brown for this reason.

Regarding the possible combination of Landry and Brown, the Applicants note that neither reference discloses billing codes for identifying specific tasks undertaken in performing services, in the billing data and rules data. Moreover, since Brown relates to a financial transaction accounting system, and since Landry primarily relates to a system for negative payment of utility bills and the like, there would be no need for such a feature – a coded list of specific tasks is inapplicable to utility bills (there are no services) and to financial accounting records (the goal there is to track monetary expenditures in a business-wide sense, not to track or assess the specific or particular tasks carried out in a billing party performing services).

In light of the above, it is respectfully submitted that the present invention as characterized in Claims 1, 15, and 16 is patentable over Crooks, Landry, and Brown in combination.

Claims 2-4, 6-11, 13, and 17

Claims 2-4, 6-11, and 13 depend either directly or indirectly from independent Claim 1. Claim 17 depends from Claim 16. These claims are believed allowable as depending from allowable base claims, in light of the remarks above.

Claim 14

Independent Claim 14 was also rejected under 35 U.S.C. § 103(a) as being unpatentable over Crooks, Landry, and Brown. Since Claim 14 includes the same relevant elements as Claims 1, 15, and 16 as discussed above, and since Claim 14 was rejected on the same basis as Claims 1, 15, and 16, Claim 14 is believed allowable for the same reasons as given above for Claims 1, 15, and 16.

CLAIM AMENDMENTS

Several of the claims are amended, as set forth above. These amendments relate to grammatical corrections and/or to consistency in antecedent basis, *e.g.*, removing instances where elements are referred to both singularly and in plural. Claim scope has not been changed.

CLAIMS 19 & 20

Claims 19 and 20 are newly added (Claim 20 depends from Claim 19), and are generally similar to the other claims. However, Claim 19 further specifies the nature of billing data and billing codes, namely, that the billing data is broken down into a listing of single time billing entries that are identified by codes for the various specific tasks. See Page 8, lines 21-35. Additionally, Claim 20 further specifies the feature, according to the present invention, of automatically assessing the billing data in terms of different tiers or levels of rules, *i.e.*, "warning" rules and "error" rules. This feature is discussed in the present specification on Page 7, paragraph 3. No new matter has been entered by way of Claims 19 and 20.

Claim 19 is believed allowable: (i) in light of the arguments above in regards to Claims 1 and 14-16; and (ii) because Landry, Brown, and Crooks fail to disclose breaking down billing data into encoded single time billing entries and assessing the

same via rules comparisons. In particular, as discussed above, Landry and Crooks do not disclose the use of billing codes for identifying specific tasks undertaken as part of services rendered. Additionally, Brown discloses the use of codes for financial transactions, but not for the identification of specific service-related tasks. Moreover, to the extent Brown discloses codes for payments for services, there is no teaching or suggestion to use codes for single time billing entries, which would be completely unnecessary in a computerized accounting system.

Claim 20 is believed allowable for the same reasons as Claims 1, 14-16, and 19, and further because none of the cited prior art references show or suggest a two-tier rules comparison utilizing warning rules (where violations are logged but automatic payment still proceeds) and error rules (where violations result in non-payment).

CONCLUSION

For the reasons set forth above, it is believed that the present case is in a condition for allowance, and the Applicants respectfully request a Notice of Allowance at this time.

As Applicants have addressed every objection and rejection raised by the Examiner, it is respectfully requested that Examiner reconsider rejection of Claims 1-4, 6-11, and 13-17 and pass these claims, plus Claims 19 and 20, to issue.

The present Response is believed timely filed. However, if any extension of time for the accompanying response is required, the Applicants request that this paper be considered a petition therefor.

The Commissioner is authorized to charge any fees under 37 CFR 1.17(a) to (d), which may be required to Deposit Account No. 13-0235.

Prior to the issuance of any further Office Actions on the merits, it is requested that the Examiner contact the undersigned to discuss.

Respectfully submitted,

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